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Harold F. Browne, *Director, Management Research Division*

F. B. Brower, *Employee Security*
M. S. Firth, *Education and Training*

E. S. Horning, *Employee Compensation*
C. E. Payne, *Employee Services*

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The Foreman Looks to Management

MANY years ago the foreman was given the title of "key man" in industry. This was after he had graduated from the status of two-fisted tyrant, and had survived the attempt to make him a purely technical advisor to his men. When leadership, through physical prowess alone, and through technical knowledge alone, proved inadequate to meet the exacting requirements of an increasingly complex industrial organization, management set about endowing the foreman with a new character more in keeping with his manifold responsibilities.

He was given an impressive build-up. He was told in no uncertain terms what an important position he occupied in the scheme of industrial organization. As a standard of performance he was handed a set of functional and psychological specifications, based in part on what he must of necessity accomplish, and in part on wishful hoping of what he might be able to accomplish. He must be an inspired leader of men. He must be able to get out production, come what might. He must be a tactful adjuster of day-to-day difficulties. He must be highly expert along technical lines. He must be a competent and patient instructor. He must be cost-conscious and an implacable enemy of waste. He must maintain an excellent safety record. Above all, because he occupied the position of actual contact between management and men, he must be the diplomatic representative of both, and must interpret accurately to each the point of view, attitude and problems of the other. And then, having told the foreman what an important man he was, what a paragon of human and scientific

virtues he was expected to be, management, in all too many cases, considered its task of establishing him in the proper setting completed, and turned to other problems.

Obviously this was not enough. No one can measure up to an exacting standard merely by having that standard defined for him. Conditions must be created that make achievement of high performance at least possible. Latent abilities that would not be stimulated into action by customary routine need to be developed by special instruction and training. Horizons must be broadened, the desire for wider knowledge implanted, and the foundation laid for better understanding of the many factors and problems involved. Support and encouragement need to be given when the going gets rough. In short, what the foreman wanted and had a right to expect was not a blank commission with a lot of laudatory platitudes that served to put him always on the spot, and which all led up to a very apparent "or else" clause, but a fighting chance to make good on his assignment. If he was to be a definite link in the management chain, he was entitled to the same consideration and cooperation, the same support and encouragement, that those above him expected from their superiors.

In recent years he has been getting the active support and assistance of management in an increasing measure. This has been due in some cases to far-sighted management policy that recognized the need, under all conditions, of helping the foreman to become a more effective leader of his men. In other cases managements learned during the period of widespread labor difficulties that the title of key man given to the foreman was

Quotation of statistics and other material in this publication is permitted when due credit is given to THE CONFERENCE BOARD

no empty phrase, and belatedly awoke to the importance of developing in their foremen the ability to deal adequately with difficult situations.

Many companies have seriously set about helping their foremen to live up to expectations. They have given them the status of junior executives to which the character and multiplicity of their duties entitle them. They have conducted training courses to enable their foremen to expand their knowledge, broaden their perspective, and gain greater understanding of the forces with which they deal. They have welcomed the foremen into their councils to avail themselves of the practical knowledge and experience that can come only from close contact with men, materials and machines. But as yet this policy of foreman development is not nearly so widespread nor so intelligently conceived as it should be.

THE FOREMAN'S VIEWPOINT

It is all very well to discuss the foreman's needs and problems, but how much is any such discussion worth unless the foreman himself sits in and has an opportunity to corroborate or challenge the statements made and the conclusions reached? Yet, when he sits in with the company executives, does he feel perfectly free in all cases to say what he really thinks and believes? Is there perhaps a better way to learn his ideas, which, without embarrassing individual foremen or individual company managements, will give foremen the opportunity to speak with perfect frankness and thus give to management in the aggregate a chance to see itself through the foreman's eyes and learn what is going on in the foreman's mind?

It was with this thought in mind that THE CONFERENCE BOARD sponsored a prize essay contest for foremen, inviting them to tell freely and in confidence how they could realize more fully on the possibilities of their jobs and to suggest ways in which management could be of greatest help to them. Nearly two thousand foremen in all parts of the country participated in the contest, and many of them have considerable to say about their relationship with management. It will take time to read and analyze in detail all the unexpectedly large number of essays received, but it may be helpful to present in advance some of the foremen's comments that provide food for thought.

How does the foreman regard higher management and its relation with him? The following comments are enlightening.

The great cry in industry today is "the foreman is responsible." Very well, *make him responsible*, remembering that responsibility should include consulting him. Make him responsible to *management*, not to some vague, unknown quantity so far removed in a maze of secretaries that it is unreachable.

* * *

In other words, I believe that everything a foreman does to build high morale, both in his department and

throughout the organization, is only a reflection of what the management builds in him. The interest shown in him and his work and the attitude taken in dealing with him, will show up relatively in the same proportion in the men under him.

* * *

Smoother operation and better industrial relations between employers and employees should begin in the chief executive's office. How these relations are used is the difference between success or failure. Industry can learn many industrial secrets if they would give the foremen more opportunities to speak their ideas occasionally. Foremen in general have the feeling that they must please the man higher up, regardless, in order to hold their positions. They should be made to feel free to make important decisions occasionally, because it tends to strengthen their power of leadership.

* * *

Cooperation, mutual help or assistance is not for just one person or one department to practice. It is for everyone, starting at the top, all the way to the bottom, and it has to start and come from the top to be a genuine success.

* * *

The men working under a foreman are a reflection of that foreman. The same holds true of the foremen; they are a reflection of the works manager, and he in turn is a reflection of the management, so indirectly the management is responsible for the seeds which itself sows. Management must remember that a foreman expects at least as good treatment as he himself passes out to his men. The management will profit if they would read the numerous articles written in the various industrial magazines on the important part a foreman plays in any organization. The way it looks to me is that management is so busy trying to teach the foreman his job, and how to handle men, that they are getting lax themselves in the way they are handling the foremen. After all, everyone likes a little pat on the back now and then.

* * *

Today, in many cases, we find the management literally leaning backwards in their attempts to keep their employees satisfied and in many cases granting requests they formerly would not consider. Demands made by the rank and file of workmen are receiving more prompt attention today than they used to, but the foremen and so-called "white collar" employees seem to be less able to make themselves heard than the rank and file of workmen. I believe it would be well for the management to pay more attention to the foremen's problems now, rather than wait until they find it necessary to form a national organization similar to those already organized for the rank and file employees.

* * *

I would recommend that some way be found where the high officials or owners of the business might come in more personal contact with their employees. The very fact that the average employee has met "the big boss" and shaken hands with him appeals to his vanity, awakens his pride that he is part of a big organization, even though just a cog in the wheel.

* * *

Have never heard of any department head or foreman being rewarded for keeping his budget in the black. But if you are a few bucks in the red they are ready to pin your ears back. Yes, any foreman should be able to take

a good bawling out, but how about getting a little consideration for the budget figures in the black?

But what, specifically, can management do to improve the situation? Foremen's requests and suggestions fall into several fairly well-defined groups.

First, and most fundamental—full recognition by the management that it is responsible for the existence of basically satisfactory working conditions in the department. This requires that the proper machinery and tools be provided and maintained in good condition, and that the scale of wages compare favorably with wage scales in local industries. Frequently it is suggested that community wage surveys be made periodically to give assurance that company rates are at least up to standard. One foreman states the case as follows:

The company can help the foreman by maintaining good working conditions, promptly ironing out grievances, by maintaining a fair wage scale, and, last but not least, by furnishing and maintaining good tools and equipment. This last is of major importance because all the good that a foreman, with all the qualities I have enumerated, with the backing of an otherwise good and aggressive company behind him, can do in maintaining pride and incentive in good quality and quantity workmanship will go for naught if the company is careless or penny-wise and dollar-foolish in the furnishing and maintenance of good tools and equipment. Nothing will kill a good workman's pride, interest, incentive or good attitude, quicker than trying to do good work with poor tools.

And how about the foreman's own compensation?

The management should realize the responsibility the foreman has and the efforts and time he must put forth to obtain good results. They should compensate him accordingly so as to have *all* of him to work *with* the company and not *part* of him work *for* the company.

Second—the foreman wants assurance that he has the management's support. Unless it is obvious to everyone that the foreman possesses the confidence of the management and has its complete backing, so long as he deserves it, he cannot secure the respect for his position or his decisions that is necessary for efficient operation. Typical comments by foremen on this point:

The management should stand solidly behind the foreman in important decisions. There is nothing that inspires a foreman as much as the knowledge that he can depend upon the management's support when it is needed. There will be no need for concern on the part of management regarding these decisions if their foremen are well trained and well informed as to the company's policies and are fully accepted as a part of the managing staff. This close alliance with management gives the foreman a feeling of security and makes him more satisfied with his job. He has more enthusiasm and is more willing to put everything he has into his job to build up a perfect department than the foreman who feels he is left out. A satisfied foreman is the greatest factor in creating a group of satisfied workers. A foreman can do much toward building a high morale in his department if he has this feeling of cooperation from his management to inspire him to lend his cooperation to others. Give a foreman

the desire and the will to accomplish and he will find more than one way.

* * *

A lot of superiors, foremen, workmen and all talk a darn good safety program, a darn good efficient operation on the job, and cooperation is talked of by some as the keystone of success. When I hear some of these people talking up a storm about all the cooperation and so forth, it bounces off just like a rubber ball, for he reminds me of the saying mentioned above—"Brother, what you have been and are doing speaks so loud I cannot hear what you are saying."

* * *

Show me a place where the foremen are mere "straw bosses" and I will show you a place where the workmen are disorganized and irresponsible. The hierarchy of authority in any organization must be rigidly adhered to, if morale and discipline are to be maintained. There must be no overriding of his authority unless absolutely necessary.

Third—the frequently reiterated complaint that the management short-circuits the foreman, or, as it is sometimes expressed, "by-passes" him by giving orders directly to the rank and file. This practice in whatever rank of management is disastrous to morale, and the fact that it is usually quite unintentional does not soften the bitterness that it causes.

The foreman is the connecting link between the men and the management. Management can be of valuable assistance to personnel morale if they realize this condition and never go over the head of the foreman in attempting to deal directly with the non-supervisory positions. If it is deemed necessary for them to consult the men directly, then at least the foreman should be in on the interview and proper explanation given so that the men can in no way get the impression that foremanship is being by-passed.

* * *

Management can help a foreman by cooperating with him to the fullest extent. Management should make the foreman fully responsible for the operation of his department and should give him the authority which must accompany responsibility. Lines of the organization chart should be strictly adhered to. That is, all orders and all department business should go through the foreman. Bypassing the foreman is one of the ways management can break down morale in a department. It should not be done!

* * *

In most cases orders concerning work, discipline, and the announcements of vital interest to the men should reach them through the foreman. This tends to breed confidence in the foreman. The by-passing of any foreman, or superintendent, by a superior officer in the issuance of orders nearly always leads to confusion, which is directly indicated by loss of confidence. The first indication of this will appear when the worker passes by his foreman when he desires information and goes directly to the manager or superintendent. This soon leads to contempt for the foreman's authority.

Fourth—recognition of the importance of the foreman as the link between management and working force and equipping him to carry out this responsibility with the greatest satisfaction to all. If he is to interpret company

policy to his men, make certain that he himself understands it correctly in the first place.

A supervisory training program sponsored by management for the training and education of foremen, with particular regard to personnel problems, is essential. Unless the foreman knows company policy regarding such problems he cannot answer the questions arising in his department. He cannot authoritatively render a decision involving industrial relations unless he knows the *right* answers. It is up to management to provide and familiarize him with these answers. They are a part of his supervisory equipment.

* * *

On matters of company policy in its dealings with employees the foreman should be "sold" not merely told. Any attempt by the management to utilize the standing and respect which the successful foreman enjoys to put over an idea to which he cannot fully and freely subscribe will tend to destroy the very quality they seek to utilize.

* * *

Management may help by having definite company policies and seeing that they are interpreted to the foremen and supervisors as they are intended to be understood by the men. I have noticed that it is not unusual for a number of foremen in an organization to have different ideas on certain company policies. This means that various groups of workers in the organization are having the same company policies interpreted to them in many different ways. This, of course, causes confusion and misunderstanding. After the foreman is familiar with the correct meaning of the company policies it is the duty of the management to back him up and support him in his decisions.

* * *

It is concededly impossible for the heads of any large industry to contact the working force themselves, even though they are probably convinced that if they could do this many misunderstandings could be averted. Why not, then, make certain that the only man who is in a position to do this effectively is mentally and psychologically equipped to present their side of the story, as convincingly as they themselves might be expected to present it.

It seems obvious that to do this successfully the foreman should know the story as well as the management knows it—but how rare is the plant where foremen are actually taken into the complete confidence of the management. We are continually reading in trade journals of the great importance, in these days particularly, of the foreman as the contact man between the management and the workers, but we cannot be blamed if we sometimes wonder whether the management reads the same magazines.

In order to get perfect work from a set of dies, the dies themselves must be perfect. To get perfect work from a group of workers, to insure that the mental attitude of those workers is sound, that any outcroppings of suspicion on their part of the motives of the management are satisfactorily dissipated by the foreman, the foreman himself must be perfect as far as his own mental attitude towards the management is concerned. It should be management's first responsibility to see that this is so. Discontented, uninformed foremen will find their counterpart in discontented, uninformed workers. Efforts of the management, no matter how sincere, to reach the workers directly, are usually ineffective. They are too remote from the workers. With unionization of the workers becoming

more widespread, with management concentrating its efforts on dealing directly with the representatives of these unions, the foreman is usually consigned to the role of an interested and somewhat bewildered sideline spectator. He is perhaps moved to feel that he has become "neither fish nor flesh nor even good red herring."

Fifth—broaden the foreman's horizon. Respond to his desire to be a better informed and more progressive leader by providing him opportunities to increase his knowledge and understanding, not only about matters directly affecting the administration of his department, but about the broader problems of the company and of all industry. Then he is in a position to hand on such information to his men.

In my opinion the management should send foremen on trips to visit other plants once in a while. It would help the morale of the foreman group, and I'll bet they would bring back more real detailed information concerning their department than the superintendent would.

* * *

I think most of us foremen are what we are more by accident than anything else. I mean I am not what I am because 'I planned it that way' except to a certain extent. I think that just as I know each of my men's faults and likewise I know the kind of man or workman I would like him to be, so does a plant manager have his own idea of what a foreman should be, and should take definite steps to help him be just that. The manager of our plant no doubt knows my faults better than I do because his viewpoint is objective while mine is subjective. As a rule, most foremen are self-made, and some of us did as good a job as we could, but it could be better. What I think I need to do next and what my superintendent thinks are very likely two different things. What with all the emphasis on foremen and their importance as contact point between management and labor, it seems to me management could profitably take its foremen in hand, and advise them and teach them the new conception of foremanship.

* * *

Seldom is it a good idea to keep men in the dark as to the direction their department or their company is taking. Just as the good executive is the one who understands the problems of the management, so his success in helping to overcome them depends upon his ability to make them clear in passing them along. Employees who know the reasons behind their instructions can execute them more efficiently and will do so more willingly. Like hardboiled methods of supervision with thinking leaders, secrecy concerning the problems of management is out.

* * *

If the majority of workers possessed clearer understanding of how business functions they would work more conscientiously. Let the worker know how poor legislation can cripple or eliminate his job. Let him know more clearly how the increasing tax gatherers are affecting his pay envelope. Give him an insight into all problems confronting the management. He is just as vitally interested in those things which affect his job and employment as the management is. Issue special annual reports to the employees. Do not wait until a Presidential year and then give a series of lectures, movies, etc. for a short period prior to the general elections. This leaves a bad impression on the mind of the worker.

If there has been any idea that foremen were not doing some straight thinking about the problems that

confront them, this illusion should be dispelled by reading the comments quoted above. Only a few of the points covered by foremen have been touched on here. Additional suggestions included the following: Give more consideration to suggestions from foremen and give them full credit when the suggestions are valuable; hold frequent conferences at which foremen can get the benefit of the ideas of other foremen and higher executives; promote social and athletic activities as an aid to good feeling and loyalty; make more trade and educational literature available to foremen to keep them abreast of the times.

If it appears that foremen have had more to say about what management should do than about their own responsibilities, this is because only comments of this

character were selected for reproduction in this article. As will be seen later in a subsequent article, the foremen have been far more unsparing of themselves, and have set forth an exacting standard of good foremanship to which management could add little, if anything. They have provided the material for a thoughtful reappraisal of management policy as it affects the supervisory force—a reappraisal that might well be guided by the admonition of one foreman to his fellow foremen that they do some straight thinking about their jobs, adding that “most persons when they think they are thinking are only rearranging their prejudices.”

HAROLD F. BROWNE

Management Research Division

Observations on the Closed Shop

[Following his reading of THE CONFERENCE BOARD'S study, "The Closed Shop," the president of a textile company wrote us the following analysis of the problems involved in organized labor's pressure for widespread adoption of the closed shop. This letter is so fair-minded and, at the same time, so penetrating an analysis of the many factors in the problem that it is here reproduced by permission.—H. F. B.]

I HAVE read with much interest your study on the Closed Shop. It is limited, as you point out, to the viewpoints of management and of organized labor leadership. In view of the increasing importance of this subject, would not a study by The Board as to the effect a broad extension of this practice might have upon the public welfare generally be of value?

In meeting demands for the closed shop which we, like many other employers, find are being pressed with greater and greater insistence, it does not seem to me that we are justified in making a decision based solely upon the viewpoints which you outline. Many of us are concerned upon other grounds as well, because of conditions which, at least as we see them, can be summarized as follows:

1. Aside from the Railroad Brotherhoods, labor unions are now free of any form of legal control or regulation. With a few exceptions, national unions seem practically always dominated by small groups, sometimes by individuals. No matter how democratic the form of their organization may be theoretically, in practice these groups and individuals, once in power, seem able to continue themselves in power. Year after year we see the same names appear. The same group domination is usually seen in the Locals. Moreover, the local groups are controlled to a very large extent by the district officers

of the national body, who are not elected, but appointed by the semipermanent group controlling the national organization. The national unions are federated into the A.F.L. and C.I.O. The feature of a semipermanent group in control has always characterized the A.F.L. The same thing is true of the C.I.O., so far. In the end the two rival central bodies will no doubt merge into one even more powerful organization. The political influence exerted by these central bodies has grown tremendously.

2. The closed shop and check-off are usually demanded together. Demand for the latter is readily waived at first but once the closed shop is established it usually follows. It is of minor importance compared to the closed shop. Assessments in addition to dues seem seldom to be levied under open shop conditions and even then, are at times ignored even by union members. Their livelihood is not dependent upon payment. This is not the case under closed-shop conditions. The power in the hands of small semipermanent groups to control great sums from dues and to raise large additional sums from assessments which amounts they may expend for almost any purpose, with no real restraint and subject to the sketchiest of auditing, if any, is a weapon of tremendous force.

If through acquiescence in a broad extension of this closed-shop practice, management voluntarily places this power in the hands of such small, irresponsible and almost self-perpetuating groups which speak for and lead, in political as well as union matters, large numbers of the most class-conscious and least-thinking part of our population, the result may well constitute a real menace to the well being of the country. The experience of the past few years seems to me to justify this fear.

Before 1933, organized labor constituted a smaller minority of our working population than it does now. The closed shop was comparatively rare in this minority. Most instances were found in the higher skilled, comparatively small craft unions, whose leaders were usually quite conservative. The outstanding exceptions to this statement have been three large groups, very ably led, i. e., the United Mine Workers, the Amalgamated Clothing Workers and the International Ladies Garment Workers Union. The proportion of alien and foreign-born members of these unions is comparatively large.

Before 1933, the power which the closed shop did so much to give to the leaders of these large unions could be controlled. Every depression caused the unions to lose some ground previously gained. Whole fields sometimes broke away from the Mine Workers and cities from the other two. The energies and ambitions of their leaders were more or less confined to their own organizations. Then came the Codes and later the Wagner Act which enabled these already powerful unions to extend and strengthen their positions tremendously. At the same time, means of resistance formerly available to employers, some of them unfair it is true, were taken from them. The C.I.O. movement promptly came into being with power concentrated at the top to a greater extent than is the case with the A.F.L. These three unions formed the backbone of the movement. Without the financial power arising from their closed-shop contracts, the type of campaign which the C.I.O. conducted would probably have been impossible. The result of this campaign, as we saw it in Ohio, Michigan, Oregon and elsewhere, is certainly enough to make any one apprehensive as to what might happen were the same group given control over far greater numbers of people and vastly greater financial resources through the broad extension of the closed-shop principle.

Many of us would probably feel differently about the closed shop if unions were under some degree of restraint or control. It is very doubtful whether legislation to

accomplish this would ever be forced through Congress except in the event of such a grave abuse of power as to constitute a national catastrophe such, for instance, as the general strike in England. It might be a different matter, for instance, if the powers of the semipermanent groups in control of unions were under some legal restraints; if assessments were subject to Local approval; if audited and detailed financial statements showing what became of the money had to be made public; if proper restrictions were put upon the use of such money, such as the prohibition of contributions to political parties; if strikes were illegal unless authorized by the affirmative vote of an actual majority of those affected, possibly by secret ballot; and particularly if one-sided and unfair labor legislation like the Wagner Act were replaced with legislation such as that in the English Labor Disputes Act.

I am possibly unduly apprehensive as to what will result from the present trend toward the closed shop. I might add also that I do not belong to the union hating class. I am dealing with unions and operating under union, but open-shop, agreements, so far successfully. However, at each conference, the insistence upon closed-shop practice becomes greater. If I had to base my decision simply upon the comparison of advantages and disadvantages outlined in your study, I might be tempted to make the concession even though I believe that the coercion of an employee by the brutal method of depriving him of his livelihood is wrong from any point of view.

Ultimately, I believe, the general acceptance of such a practice can only lead to further restrictions upon individual liberty of action in still other directions. However, until unions are organized upon a different basis and subject to restraint and regulation for the public good, the voluntary handing over of any such additional power as that represented by the closed-shop practice seems to me wrong from the point of view of a citizen as well as an employer.

Chronology of Events Affecting Labor Relations May, 1939

May

- 3 *New Wisconsin Labor Act*—Governor of Wisconsin signs bill prohibiting closed shops unless voted by 75% of employees in a bargaining unit. Ten days' notice of intention to strike required where perishable products are involved. Former State Labor Relations Board replaced by three-man body with curtailed powers.

Social Security Amendments Proposed—House Ways and Means Committee approves proposals for making unemployment insurance features of

act more flexible. Would permit a state with an adequate reserve to reduce payroll tax without losing its 90% credit on federal payroll tax.

Motor Payroll Data—General Motors Corporation announces that only one-half cent of each sales dollar is paid to executives.

- 6 *Wage-Hour Division Wins Test*—First action of Wage-Hour Administration to force production of books and records of company believed to be violating Wagner Act upheld by federal district court at Wheeling, West Virginia.

- A.F.L. Membership*—American Federation of Labor announces paid-up membership as of May 2 to be 3,776,218, representing gain of 1,336,163 since August, 1936 when C.I.O. unions seceded.
- 7 *Labor Drive on Anti-Trust Act*—C.I.O. announces campaign to bring pressure on Congress to amend Anti-Trust Act, as a result of Apex Hosiery case, to make sure that its provisions shall not apply to labor unions. Committee formed to mobilize nationwide protest against Apex decision.
- 9 *Merit Laws Proposed in New York*—State Senator Young introduces bill in New York Legislature providing merit-rating system for employers contributing to the unemployment insurance fund.
- 10 *A.F.L. Charter to U.T.W.*—The Gorman faction of the United Textile Workers officially affiliate with A.F.L. Gorman retires, and is replaced by Charles M. Fox of Georgia.
- 11 *Coal Controversy Settled*—Long drawn out negotiations between Appalachian coal operators and United Mine Workers of America reach conclusion with granting of "union shop." Minority group of southern operators refuses to concur.
- Picketing Banned in Maritime Dispute*—Work suspended on Portland, Oregon waterfront when Employers Association charges maritime union has violated arbitration awards. New Oregon anti-picketing law invoked and court order halts picketing.
- Labor Appeasement Fails*—Conferences between representatives of National Labor Relations Board and American Federation of Labor to reach agreement on attitude toward amendments of Wagner Act are discontinued. A.F.L. announces it will continue "full speed ahead" in pressing for changes in the Act.
- 12 *Court Rules on Jurisdiction*—Justice Goldsborough holds A.F.L. acted illegally in 1933 Convention in transferring brewery wagon drivers from the International Union of the United Brewery, Flour, Cereal and Soft Drink Workers to the International Brotherhood of Teamsters. Rules that A.F.L. decision would "take from beer drivers property rights of a substantial kind, probably the most important property right which unionized employees have."
- 13 *Union Medical Plan*—Transport Workers Union of Greater New York announces inauguration for the benefit of its 55,000 members of "the most extensive and comprehensive group medical plan yet undertaken." Members in good standing to receive full services of 52 general practitioners and specialists in eight fields of specialized medicine, including surgery. Most of cost, estimated at \$170,000 a year, to be met by union treasury.
- 15 *New Textile Front*—By unanimous vote, 302 chartered locals of Textile Workers Organizing Committee and 126 locals of the United Textile Workers of America amalgamate in new C.I.O. textile organization. Approximately 325,000 workers involved.
- 23 *Republic Steel Sues C.I.O.*—Republic Steel Corporation files suit in federal district court against S.W.O.C. for damages suffered during strike in 1937. Damages asked total \$7,500,000.
- 26 *Sit Down Ban Fails*—Pennsylvania State Senate refuses by narrow margin to concur in House measure that would outlaw sit-down strikes and permit employers to petition for collective bargaining elections.

Questions and Answers

An important function of the Management Research Division is to focus the information gathered in its many studies on particular problems confronting associated companies. The Division's services are constantly at the disposal of executives in these companies. Inquiries are, of course, answered promptly by mail, but some questions and answers believed to be of general interest are reproduced from time to time in this section of the MANAGEMENT RECORD.

Question: Will you advise us what factors are considered in figuring the percentage of turn-over of employment and how it is computed?

Answer: The Bureau of Labor Statistics of the Department of Labor collects and publishes monthly figures on labor turn-over which cover manufacturing establishments employing approximately 2,300,000 workers. The figures are rates or indexes, computed from the average number of employees and the number of accessions and separations during the month. A general rate is published each month for manufacturing industries as a whole, based on reports received at present from about 2,500 employers in 144 different lines of manufacture. A balanced proportion is given to the

several industries included in this monthly rate. In addition, the Bureau has expanded its monthly inquiry to such an extent in 24 industries that separate rates are now being published for them.

Since the Bureau is the agency doing the most comprehensive work in the field, it is with the Bureau's figures that employment managers will be most interested in comparing their own percentage of turn-over. Comparison of such figures is impossible unless the same definitions of terms and the same methods of computation are used. Because of these factors we are answering the question by reprinting from the "Handbook of Labor Statistics," 1936 edition, the Bureau's method of arriving at their monthly figures.

The definitions used by the Bureau are as follows:

An accession means the hiring of a new employee or the rehiring of an old employee.

A separation is a termination of employment of any of the three following kinds: Quits, lay-offs and discharges.

A quit is termination of employment, generally initiated by the worker because of his desire to leave, but sometimes due to his physical incapacity.

A discharge is a termination of employment at the will of the employer, with prejudice to the worker because of some fault on the part of the worker.

A lay-off is a termination of employment at the will of the employer, without prejudice to the worker. A permanent lay-off, a long lay-off, an indefinite lay-off, and a short definite lay-off with the name of the worker removed from the payroll, are counted by the Bureau as lay-offs, but a short, definite lay-off with name of the worker remaining on the payroll is not counted as a separation.

A quit on the part of a worker is generally due to:

- a. Dissatisfaction as to wages, hours, working conditions, or labor policies
- b. The opportunity to get a more desirable position
- c. A desire not to work anywhere
- d. Sickness, disability, old age, or death

A discharge of a worker is generally due to his:

- a. Incompetence
- b. Insubordination
- c. Violation of rules
- d. Dishonesty
- e. Misfit—physical or mental
- f. Laziness

A lay-off of the worker may, among other causes, be due to:

- a. Lack of orders
- b. Lack of material
- c. Change in product
- d. Breakdown of plant
- e. Reorganization of force
- f. Release of temporary help
- g. Introduction of labor-saving machinery

The method of collection used by the Bureau is as follows:

Each month the Bureau sends out a questionnaire and gets from its correspondent establishments the following information for the month just closed:

1. Number of separations during period
 - a. Number of quits
 - b. Number of discharges
 - c. Number of lay-offs
 - d. Total separations
2. Number of accessions during period
3. Number of factory workers on payroll
 - a. At beginning of period
 - b. At end of period

The purpose of the last two questions is to get an approximate number on the payroll. This is determined by adding the numbers at the beginning of the period and at the end of the period and dividing by two. Some plants are able to furnish the average of daily counts of the number on the payroll. Others can furnish an average of the number on the weekly payroll.

The reporting establishments are requested to omit

office employees, when practicable, but to include temporary help, part-time workers, and employees in training. This inclusion is desired in order to show the degree of stability of employment as it affects all workers.

The method of computing used by the Bureau is as follows:

The items of separation and accession are divided by the average number on the payroll to get the rate per 100 employees for the month. In compiling the rates the actual numbers for the several establishments are added and the general rates computed from the grand total. Thus each establishment has an influence or "weight" in the rate in proportion to its size.

If an equivalent annual rate is desired, the monthly rate can be multiplied by 11.77 if the month has 31 days; by 12.17 if it is a 30-day month; by 13.04 if it is a 28-day month; and by 12.62 if it is a 29-day month.

In comparing monthly rates the number of days in the month should be considered, as no adjustment is made in the monthly rate because of the number of its days. With the adjustment in the equivalent yearly rate this latter figure affords a more exact comparison as between months.

The Bureau's figures from January, 1931 to December, 1935 are on pages 805 to 811 of the "Handbook of Labor Statistics," which can be found in any library or procured from the Superintendent of Documents at Washington for one dollar and twenty-five cents.

In addition to the current reports on labor turnover, the Bureau of Labor Statistics has from time to time prepared special studies of labor turn-over in particular industries. These studies have been published in the *Monthly Labor Review* as follows: Automobile industry, 1931 and 1932 (June 1933, p. 1316); boot and shoe industry, 1931 and 1932 (October 1933, p. 893); cotton manufacturing, 1931 and 1932 (November 1933, p. 1152); foundries and machine shops, 1931 and 1932 (February 1934, p. 347); iron and steel industry, 1932 and 1933 (June 1934, p. 1393); furniture manufacturing, 1932 and 1933 (August 1934, p. 400); slaughtering and meat packing, 1932 and 1933 (November 1934, p. 1164); men's clothing industry, 1932 and 1933 (March 1935, p. 709); sawmills, 1933 and 1934 (May 1935, p. 1285); automobile and automobile parts industries, 1931 to 1935 (May 1936, pp. 1319-21); furniture manufacturing industry, 1934 and 1935 (July 1936, pp. 109-12); iron and steel industry, 1934 and 1935 (September 1936, pp. 647-50); boot and shoe industry, by rate groups, 1934 and 1935 (January 1937, pp. 680-685); Massachusetts, by sex and age groups, October 1935 (June 1937, p. 1379); slaughtering and meat packing industry, by size, 1936 and 1937 (April 1938, p. 936); petroleum refining, 1936 and 1937 (June 1938, p. 1414); iron and steel industry, 1936 and 1937 (February 1939, p. 421).

General current figures for all manufacturing as well as the current figures for 24 specific industries can be found in the section marked "Labor Turn-Over" in the *Monthly Labor Review*. The 24 specific industries for which the Bureau is at present giving monthly percentages are: automobiles and bodies, automobile parts, boots and shoes, brick, tile, and terra cotta, cement, cigars and cigarettes, cotton manufacturing, electrical machinery, foundries and machine shops, furniture, hardware, iron and steel, knit goods, men's clothing, petroleum refining, printing and publishing, radios and phonographs, rayon, rubber tires, sawmills, slaughtering and meat packing, steam and hot-water heating apparatus, woolen and worsted goods.

Question: Our company has been trying to train foremen for a number of years. We hired good experienced men for the training staff to lead the foremen discussion groups. We have used both material created for this company and material purchased from an outside agency. There have been some good results but not all that might be expected. Does the experience of other companies indicate anything more we might do?

Answer: The experience of a large number of companies seems to say "Yes" to this question, and would seem to suggest that foreman training, not by the staff men, but by the line superintendents, combined with superintendent training led by the works manager or president would offer certain advantages.

First: When top management is participating in a training process it becomes real. It is no longer "a nice thing to do" but is a part of the production process which is its rightful place in the organization. Suggestions may be put into practice immediately because the leader is the boss and can say on departmental questions, "Good, we'll do it" where a staff man has to say, "It sounds fine, why not suggest it to someone?"

Second: Top management and superintendents believe in training, if they are leading it. The training program under line leadership will survive depressions better, for if the upper line supervision believes in it they will fight for its continuance when personnel activities are being eliminated.

Third: If the top management is participating in the creation of the material it is apt to be more real and more definitely related to production needs. Staff men are in a better position to do the research, writing and editing of the material to be used, but if they do their work co-operatively with the operating men they will reach the training need more often.

Fourth: If there is a clear channel from the foreman up to the top of the organization through round table discussion, top management will be closer to basic problems and there will be more surety that decisions made are sound. Executives in plants which have adopted a method of line supervisory training tell us that it has furnished them with a channel for a two-way flow of information up and down the whole organization that is invaluable. New policies are explained easily, dissatisfaction with any policy in any department is revealed quickly and, perhaps most important of all, creative suggestions that give real dividends, reach those who have the authority to put them into practice.

Question: Our situation is this: We recognize the necessity of expanding the effectiveness of our intramural news-dispensing facilities. At the present time we are using informal letters to employees, periodic informative booklets mailed to the homes of employees, and bulletin board postings. The question before us now is whether or not we should appropriate sufficient funds to publish a general company magazine to supplement the other forms of information-dispensing media now in use. Operating several factories as we do, spread pretty

well throughout the length and breadth of this country, you can see this represents quite a problem.

Answer: [Prepared by a staff member who had just completed a ten-week field trip, during which many industrial companies were visited.]

First: It was very apparent, from the reactions of top executives, intermediary supervision and employees, that company magazines were considered to be of value. This can be said to be a unanimous opinion, for in the course of the trip I did not hear one individual suggest that the principle of the employee magazine was unsound. This is, perhaps, worth noting, since it is a little unusual to find such unanimous agreement on any principle of industrial relations.

Second: Companies seemed to be using them as a channel for at least five distinct purposes:

- a. to give information about the company operations, departmental changes and product development.
- b. to give information about its personnel policies.
- c. to give economic information to employees.
- d. to keep employees informed on group activities, (i. e., athletics, social events, picnics, etc.)
- e. to print stories and news items about individual employees.

Third: Opinions as to value of each of these and as to how each should be handled vary enormously.

a. There seemed to be fairly general agreement that there was real need for company-wide understanding of the whole company's operations. If the factory division knows more about the sales work, it is apt to give better and more intelligent cooperation. Knowledge of new developments and an understanding of the ultimate use of the product makes a production job meaningful.

b. It has seemed increasingly essential to have a clear definition of all personnel policies. As in all types of education, companies have found that one statement is not enough, but that reexplanation is constantly necessary. One editor has a regular schedule of personnel subjects that he follows throughout the year in order to be sure that each one is explained at least once a year.

c. Almost all the companies use their employee magazine to give an understanding of the financial condition of the enterprise system as a whole, or to clarify the employees' mental picture of it. As to the value of this work, there seems to be some doubt. On the one hand, there is a feeling that the employee magazine should not touch a subject that is apt to be regarded with suspicion and that may brand the publication as an organ of propaganda. On the other hand, it is pointed out that an understanding of this question is one of the essential pillars to mentally satisfied employee attitude. They add that the subject need not be "rammed down the throat" of the employee, that the story can be told in terms of persons and company operations, and that there will be much less suspicion of a publication employees are accustomed to than of a pamphlet specifically created to give such information.

d. There seems to be general acceptance of the value of the employee magazine as the perfect medium for stimulating group activities. News of baseball games,

dances, glee club performances offer hundreds of opportunities for the use of names that makes a publication interesting to the individual.

e. One editor said, "We have three tests of any item that we are considering for publication: 'Is it of interest to the reader?', 'Does it carry the type of information that we feel is needed at the moment?', 'Is it written in terms of personalities?' The last test is the most important. If we cannot personalize the item, we do not publish it."

Not all editors take as extreme a point of view, but all recognize the fact that telling any story in terms of individuals' names is satisfying for the people concerned, gains a wider acceptance and interest because it is personalized, and results in the long run in a better working morale since the employee grows to think of the company in terms of people.

Fourth: Perhaps it is necessary to emphasize the unanimous feeling of all companies that the more a publication is designed with the needs and interests of one group in mind, the more successful will be the result. Each plant has a different personnel with different reading habits, different interests and different labor relations experience. The publication that may be perfectly adapted to serve the central office in Chicago may be a dull and even dangerous publication for employees in a small Southern

town. On the other hand, all the plants may be so similar that one magazine can serve them all equally well. Various ways have been designed to meet different situations: two publications, one for the whole corporation and one for the local plant, a corporation publication with a local insert, a local paper with corporation news that is distributed in galley by the central office to be used as the local editor thinks best. Apparently, the only one best way is the way best adapted to the situation for which the publication is being designed.

It is, perhaps, appropriate to quote an editor who has been engaged in publishing the company magazines for a large corporation for some twenty years. "If anyone asks you how to decide on the form and content of a new paper, suggest to them that they hire an editor and give him six months to visit all the plants, talk with local men, survey the reading habits of the group, and talk with other companies about their experience. If the company lets the new editor have six months for research before bringing out the first issue, they will avoid countless costly mistakes and in the long run will have a publication that is better adapted to their specific needs."

I have tried to give you a fairly complete reflection of the company experience that I have seen. If there is any point on which you would like more detailed information, we shall be glad to be useful in any way possible.

Notes on Personnel Administration

A Way to Stimulate Circulation

THE primary objective of the staff of THE CONFERENCE BOARD is to be of greatest possible usefulness to the Board's associates. An obstacle to the accomplishment of this objective has been that frequently the Board's published material has not reached many individuals in associated companies to whom it might be particularly helpful. Recently Mr. L. C. Lovejoy, Personnel Manager of the Fisk Rubber Company, Chicopee Falls, Massachusetts, forwarded to us a copy of a memorandum that he had prepared for members of his organization to acquaint them with the various types of CONFERENCE BOARD publications that would be circulated throughout the organization. This memorandum so ably reinforces our effort to be helpful that we asked permission to reproduce it.

Re: National Industrial Conference Board
247 Park Avenue, New York City

Fisk recently subscribed to membership in THE CONFERENCE BOARD, whose address is noted above for only one purpose: OUR USE.

The regularly issued publications are being routed by the Mailing Department to the department managers who have expressed their desire to review them. In routing these publications we ask you to review and pass on the publication to the next person on the list

within 24 hours after receipt unless otherwise specified. This is only fair to those whose names follow yours on the list. Permanent filing is in the Filing Department—consult this file when you choose to do so.

The Library of the Conference Board is prepared to loan books to members for a period of one week. Should you desire to borrow any books from the Conference Board Library, please route your requests to our Mailing Department.

Let us make full use of this service which our company has made available to us.

These Conference Board publications are now being received and distributed to members of our organization:

a. Conference Board Management Record

Issued monthly and contains articles on industrial management and labor policy; a chronology of events affecting labor relations; questions from readers answered by the Board's staff; graphic charts; current notes on personnel administration; and results of the Board's monthly studies of wages, hours, employment and changes in the cost of living.

b. Conference Board Business Survey

Issued monthly and contains reports on current business conditions and presents data covering production, shipments, orders, stocks on hand,

Notes on Personnel Administration (Continued)

prices, trade, and other important phases of business activity.

c. Conference Board Bulletin

Periodic condensed reports on economic, industrial and fiscal questions of significance.

d. Road Maps of Industry

A weekly multi-colored chart service showing graphically important economic data.

e. Special periodical series

1. Weekly Desk Sheet of current business indications.

2. Monthly statement of economic conditions in foreign countries.

3. Developments in federal fiscal situation.

f. Studies in Personnel Policy

Results of Conference Board surveys covering such matters as profit-sharing, dismissal compensation, company vacation policy, employee benefit plans, and so forth.

g. Special reports

General economic analyses, including, among other subjects, agriculture, national income, national wealth, taxation and public finance.

A Manual for Executives and Foremen

For a good many years, the foreman has been deluged by an endless flow of material which defined his job in terms that must have made him wonder why the company bothered to pay for a president, staff men or superintendents. He was told that in different phases of his work he was "The Manager," "The Cost Accountant," "The Efficiency Engineer," "The Industrial Relations Director," "The Executive," "The Key Man." The majority of the authors seemed bent on making him conscious of the importance, the heavy responsibilities and the difficulties of his job without furnishing very many hints on how he was to solve the problems that his various functions created. After hearing some of the inspirational speeches and reading some of the challenging books, many must have felt as did one of them, who, after returning from a meeting, looked over his department with new eyes and remarked, "Sure, and it's great to be an executive, but I wonder how you begin."

There was and is an obvious need for a book that will talk in simple terms about the way a man can begin to think effectively about a particular phase of the production situation for which he is responsible. Because of that need any book that may help foreman and executives to develop a better mental approach to daily

problems is worth taking time to read and evaluate.

"Manual for Executives and Foremen," by Erwin H. Schell and Frank F. Gilmore, is introduced in these words: "This manual contains step-by-step procedures for improving the departmental process, the workplace, the work, the attitude of employees, and the control of quantity, quality, equipment, and storage. A workbook for working executives, presenting tested methods of reducing costs, increasing quality and insuring service."

The phrase that should be underlined, because it emphasizes the timely contribution that this book makes to the field of management, is "step-by-step procedures." The authors have apparently gone to great pains to avoid generalities and to force themselves to talk in terms of the practical details of the mental approach to each type of problem. They seem to be trying on every page to answer as simply as possible the question, "What are the steps of effective thinking that will lead to creative ideas for departmental improvement?"

After defining the essential mental attitude of recognizing that "there is no end to improvement," they point "the need for reviewing the work critically and impersonally," "getting the facts, analyzing them objectively, presenting them in a way so that the immediate superior will understand clearly each suggestion and will be inclined to give a fair evaluation of the new idea." The mechanical aids to effective thinking, such as notebooks, letter folders, types of paper for assembling information in intelligent form are mentioned with an attention to detail that should be helpful to anyone asking himself, "How do I begin?"

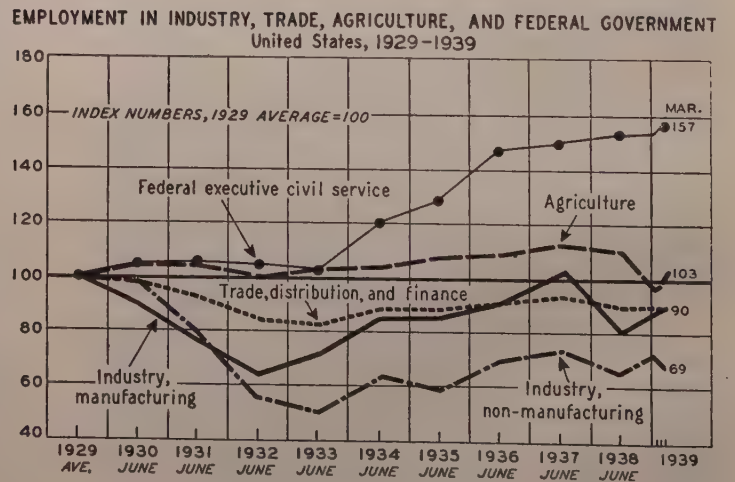
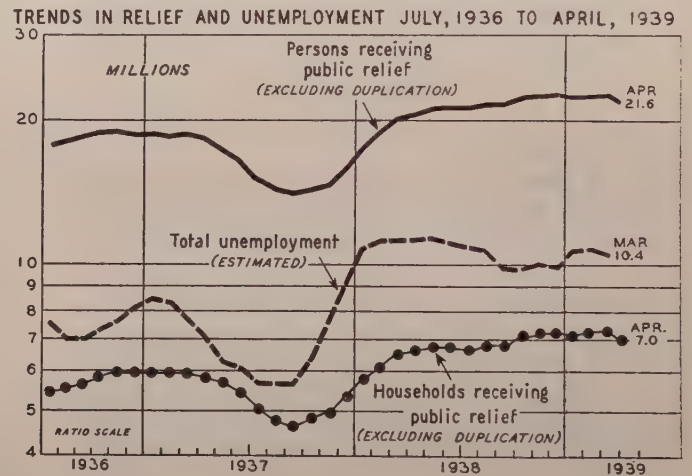
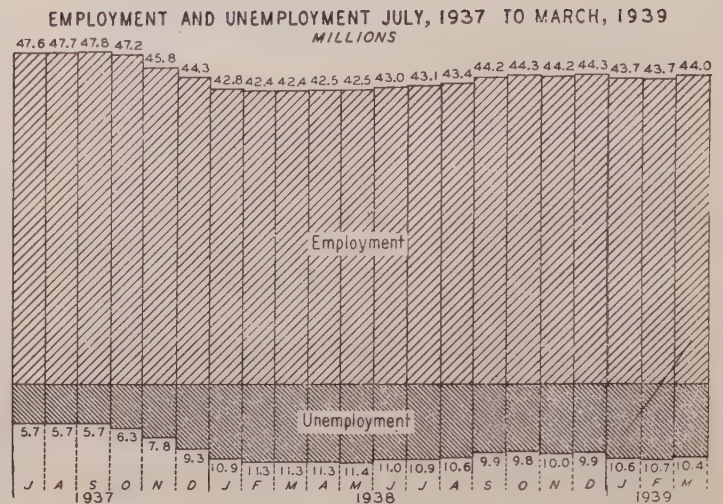
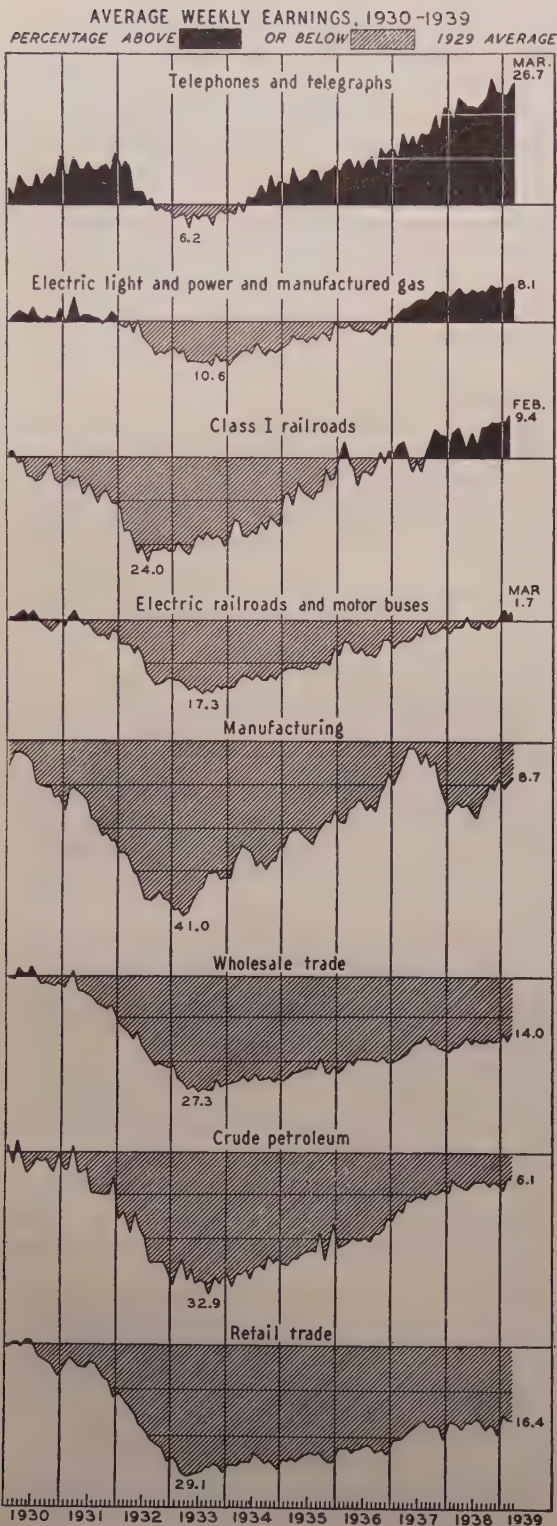
That takes the book to page 19, and from there to the end on page 179 the chapters are crammed with step-by-step procedures for thinking about The Process, the Workplace, the Work, the Worker, Quantity, Quality, Equipment, Storage, Reading.

One example may indicate the detailed nature of the discussion. In the chapter that concerns itself with "The Workplace," the procedure for forming the critical diagnosis and for making an objective analytical survey is carefully and simply explained. Charts and sample surveys are shown, and the text is as factual and detailed in its instruction throughout as the following excerpt indicates:

If the desired rate of output is less than the maximum rate, we may properly turn to a study of all the non-productive activities involved. Such an examination will take the form of an over-all survey of what occurs during a representative period (perhaps a day or longer). Procedure—at the top of a ruled sheet in your notebook, enter the clock time at the beginning of the day's work on the operation. Below the entry, enter the clock time when a change in activity occurs, together with a brief description of what occurred on the machine. At the right . . .

(Continued on page 84)

Graphic Facts



Wages and the Cost of Living

THE number of workers employed and the average hours worked per week declined slightly in April, according to reports received by THE CONFERENCE BOARD from manufacturers in 25 industries. Total man hours worked declined 0.3% between March and April. Declines were reported in 11 of the 25 industries; the largest, 12.4%, in the wool textile industry and 8.2% in iron and steel. In lumber and millwork, on the other hand, total man hours increased 8.5% in the

month's interval. Total man hours worked in the 25 industries were 20.5% higher than in April, 1938, but 35.9% lower than in 1929.

Only 0.1% fewer workers were employed in these industries in April than in March, 7.1% more than in April, 1938, but 15.8% fewer than in 1929. Total payroll disbursements were the same in April as in March. They were 20.2% higher than in April, 1938, but 22.6% lower than in 1929.

EARNINGS AND HOURS, ALL WAGE EARNERS

APRIL, 1939

INDUSTRY	Average Earnings				Average Hours per Week per Wage Earner			
	Hourly		Weekly		Actual		Nominal	
	April	Mar.	April	Mar.	April	Mar.	April	Mar.
Agricultural implement.....	\$.808	\$.812	\$30.16	\$30.54	37.3	37.6	40.2	40.3
Automobile ¹.....	.949	.949	32.68	31.16	34.4	32.8	40.0	40.0
Boot and shoe.....	.516	.516	19.17	19.65	37.2	38.1	40.1	40.1
Chemical.....	.750	.746	29.03	28.92	38.7	38.8	40.2	40.2
Cotton—North.....	.493	.496	18.66	18.87	37.8	38.0	39.9	39.9
Electrical manufacturing.....	.801	.806	30.36	30.39	37.9	37.7	39.8	39.8
Furniture ².....	.661	.662	24.42	25.41	37.0	38.4	40.8	40.9
Hosiery and knit goods.....	.548	.539	20.52	20.52	37.4	38.0	40.0	40.0
Iron and steel ³.....	.829	.829	26.61	28.77	32.1	34.7	40.2	40.4
Leather tanning and finishing.....	.638	.632	24.09	24.67	37.8	39.1	40.4	40.4
Lumber and millwork.....	.667	.655	25.81	24.14	38.7	36.9	42.0	42.1
Meat packing.....	.699	.701	27.22	27.07	38.9	38.6	40.4	40.4
Paint and varnish.....	.711	.713	28.81	28.26	40.5	39.6	40.6	40.6
Paper and pulp.....	.636	.636	25.69	25.48	40.4	40.1	41.3	41.3
Paper products.....	.605	.607	24.02	24.22	39.7	39.9	40.6	40.7
Printing—book and job.....	.817	.824	31.46	31.47	38.5	38.2	40.0	40.0
Printing—news and magazine.....	.966	.954	35.97	35.69	37.2	37.4	39.7	39.7
Rubber.....	.854	.854	29.67	29.42	34.7	34.5	38.2	38.2
1. Rubber tires and tubes.....	1.010	1.012	33.68	33.53	33.3	33.1	37.1	37.1
2. Other rubber products.....	.680	.679	24.78	24.46	36.4	36.0	39.5	39.5
Silk.....	.520	.513	18.13	18.05	34.8	35.2	40.2	40.2
Wool.....	.597	.591	20.42	21.54	34.2	36.4	40.1	40.3
Foundries and machine shops.....	.735	.733	27.44	27.31	37.3	37.3	40.2	40.2
1. Foundries.....	.746	.744	25.94	25.47	34.8	34.2	40.2	40.2
2. Machines and machine tools.....	.745	.744	29.55	29.54	39.7	39.7	40.8	41.0
3. Heavy equipment.....	.797	.784	29.86	29.23	37.5	37.3	40.1	40.1
4. Hardware and small parts.....	.662	.664	24.69	25.59	37.3	38.5	40.3	40.3
5. Other products.....	.729	.731	26.83	26.54	36.8	36.3	39.7	39.7
25 INDUSTRIES.....	\$.717	\$.715	\$26.27	\$26.25	36.8	36.9	40.3	40.3
Cement.....	.692	.686	26.50	26.43	38.3	38.5	39.4	39.4
Petroleum refining.....	.984	.991	35.40	36.06	36.0	36.4	36.0	36.0
27 INDUSTRIES.....	\$.720	\$.718	\$26.39	\$26.38	36.8	36.9	40.2	40.3

NOTE: The wage data here given are for cash payments only and do not take into consideration the value of such wage equivalents as reduced or free house rents or other special services rendered by the company to employees. Various forms of wage equivalents are in use in industrial establishments in many localities, but the part which they play as compensation for work performed cannot be taken into account in a study of this character.

¹Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD.

²Includes wood, metal, and upholstered household and office furniture.

³Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

CHANGES IN THE COST OF LIVING, APRIL, 1939

Item	Relative Importance in Postwar Family budget	Indexes, 1923=100			Percentage Changes	
		April, 1939	March, 1939	April, 1938	March, 1939 to April, 1939	April, 1938 to April, 1939
Food ¹	33	78.2	78.0	81.1	+0.3	-3.6
Housing.....	20	86.2	86.1	87.2	+0.1	-1.1
Clothing.....	12	72.2	72.3	75.1	-0.1	-3.9
Men's clothing.....		78.5	78.4	81.2	+0.1	-3.3
Women's clothing.....		66.0	66.2	69.0	-0.3	-4.3
Fuel and light.....	5	85.2	85.8	85.7	-0.7	-0.6
Coal.....		84.7	85.6	85.3	-1.1	-0.7
Gas and electricity.....		86.2	86.2	86.4	0	-0.2
Sundries.....	30	96.7	96.7	97.6	0	-0.9
WEIGHTED AVERAGE OF ALL ITEMS...	100	85.0	84.9	86.8	+0.1	-2.1
PURCHASING VALUE OF DOLLAR.....		117.6	117.8	115.2	-0.2	+2.1

¹Based on food price indexes of the United States Bureau of Labor Statistics, April 18, 1939, March 14, 1939 and April 12, 1938.

INDEXES OF EARNINGS, EMPLOYMENT, MAN HOURS, AND PAYROLLS, ALL WAGE EARNERS

APRIL, 1939

1923=100

INDUSTRY	Average Earnings						Employment		Total Man Hours Worked		Payrolls	
	Hourly, Actual		Weekly									
			Actual		Real							
	April	Mar.	April	Mar.	April	Mar.	April	Mar.	April	Mar.	April	Mar.
Agricultural implement.....	145.3	146.0	109.6	111.0	128.9	130.7	110.1	109.9	83.0	83.5	120.7	122.0
Automobile ¹	150.2	150.2	108.4	103.4	127.5	121.8	96.9	98.1	69.9	67.5	105.0	101.4
Boot and shoe.....	104.2	104.2	84.8	86.9	99.8	102.4	97.7	100.0	79.7	83.6	82.8	86.9
Chemical.....	148.2	147.4	107.9	107.5	126.9	126.6	109.6	109.5	79.7	79.8	118.3	117.7
Cotton—North.....	110.8	111.5	87.9	88.8	103.4	104.6	41.0	40.4	32.4	32.1	36.0	35.9
Electrical manufacturing.....	141.0	141.9	112.1	112.2	131.9	132.2	82.4	83.4	65.3	65.8	92.4	93.6
Furniture ²	127.9	128.0	97.9	101.9	115.2	120.0	81.1	82.3	62.3	65.6	79.4	83.9
Hosiery and knit goods.....	143.5	141.1	116.1	116.1	136.6	136.7	115.4	112.9	93.2	92.7	134.0	131.1
Iron and steel ³	139.1	139.1	77.8	84.1	91.5	99.1	91.2	91.9	50.7	55.2	71.0	77.3
Leather tanning and finishing.....	131.3	130.0	104.0	106.5	122.4	125.4	79.6	79.2	63.2	65.0	82.8	84.3
Lumber and millwork.....	141.0	138.5	110.2	103.1	129.6	121.4	60.2	58.2	47.1	43.4	66.3	60.0
Meat packing.....	147.8	148.2	115.6	115.0	136.0	135.5	90.6	90.7	70.9	70.5	104.7	104.3
Paint and varnish.....	133.1	133.5	108.4	106.4	127.5	125.3	126.7	124.3	103.0	98.8	137.3	132.3
Paper and pulp.....	126.2	126.2	98.5	97.7	115.9	115.1	107.5	106.6	83.9	82.5	105.9	104.1
Paper products.....	132.7	133.1	110.3	111.2	129.8	131.0	129.1	127.0	107.7	106.4	142.4	141.2
Printing—book and job.....	125.1	126.2	105.0	105.1	123.5	123.8	96.1	96.7	80.6	80.5	100.9	101.6
Printing—news and magazine.....	139.4	137.7	115.2	114.3	135.5	134.6	118.2	117.9	97.8	98.0	136.2	134.8
Rubber.....	136.4	136.4	105.9	105.0	124.6	123.7	72.9	73.3	56.5	56.4	77.2	77.0
Silk.....	104.8	103.4	78.7	78.4	92.6	92.3	88.2	89.6	66.0	67.8	69.4	70.2
Wool.....	118.2	117.0	85.2	89.9	100.2	105.9	72.6	78.0	52.3	59.7	61.9	70.1
Foundries and machine shops.....	128.3	127.9	96.7	96.3	113.8	113.4	79.3	78.3	59.6	58.9	76.7	75.4
1. Foundries.....	126.4	126.1	87.6	86.0	103.1	101.3	60.4	59.4	41.9	40.5	52.9	51.1
2. Machines and machine tools.....	135.7	135.5	108.2	108.2	127.3	127.4	88.1	85.9	70.2	68.5	95.3	92.9
3. Heavy equipment.....	119.0	117.0	90.4	88.5	106.4	104.2	52.3	50.9	39.8	38.5	47.3	45.0
4. Hardware and small parts.....	129.3	129.7	99.5	103.1	117.1	121.4	97.0	97.2	74.6	77.2	96.5	100.2
5. Other products.....	130.2	130.5	98.2	97.1	115.5	114.4	94.9	94.6	71.6	70.4	93.2	91.9
25 INDUSTRIES.....	132.5	132.2	98.7	98.6	116.1	116.1	85.0	85.1	63.6	63.8	83.9	83.9

NOTE: No basic 1923 data are available, hence no indexes are given for the following: rubber tires and tubes, other rubber products, cement, petroleum refining, and "27 industries."

¹Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD.

²Includes wood, metal, and upholstered household and office furniture.

³Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

Average hourly earnings increased slightly from 71.5 cents in March to 71.7 cents in April, or 0.3%. They were 21.5% higher than in 1929, when they averaged 59.0 cents. The average work week was 36.8 hours in April, a decline of 0.3% from the March figure of 36.9 hours. It was 12.5% higher than in April, 1938, but 23.8% lower than in 1929, when the average work week was 48.3 hours.

Average weekly earnings were almost the same in March and April, \$26.25 in March, and \$26.27 in April. In 13 industries there were increases, the largest of which were in the lumber and millwork industry, 6.9%, and in the automobile industry, 4.9%. Average weekly

earnings in the iron and steel industry declined 7.5% and in the wool industry, 5.2%. In the 25 industries combined they were 12.3% higher than in April, 1938, but 8.0% lower than in 1929. Real weekly earnings, that is, actual weekly earnings adjusted for changes in the cost of living, were the same as in March. They were 14.6% higher than in April, 1938, and 8.3% above 1929.

The cost of living of wage earners rose slightly 0.1% from March to April, with increases in food prices and rents more than offsetting the seasonal decline in coal. Living costs in April were 2.1% lower than in April, 1938, 15.1% lower than in 1929, but 18.5% higher than at the low point of 1933.

EARNINGS AND HOURS, ALL MALE AND FEMALE WAGE EARNERS

APRIL, 1939

INDUSTRY	ALL MALE						FEMALE					
	Average Earnings				Average Hours per Week per Wage Earner		Average Earnings				Average Hours per Week per Wage Earner	
	Hourly		Weekly				Hourly		Weekly			
	April	Mar.	April	Mar.	April	Mar.	April	Mar.	April	Mar.	April	Mar.
Agricultural implement.....	\$.811	\$.815	\$30.28	\$30.67	37.4	37.7	\$.613	\$.612	\$21.22	\$21.72	34.6	35.5
Automobile ¹.....	.959	.959	33.09	31.46	34.5	32.8	.703	.702	22.14	22.60	31.5	32.2
Boot and shoe.....	.589	.594	22.01	22.56	37.4	38.0	.414	.411	15.25	15.76	36.8	38.3
Chemical.....	.782	.776	30.33	30.03	38.8	38.7	.537	.539	20.69	20.91	38.5	38.8
Cotton—North.....	.539	.544 ^r	21.24	21.61 ^r	39.4	39.8 ^r	.429	.426	15.37	15.58	35.8	36.6
Electrical manufacturing.....	.855	.861	32.61	32.69	38.2	38.0	.566	.569	20.80	20.86	36.7	36.7
Furniture ².....	.672	.673	25.00	25.98	37.2	38.6	.488	.485	16.30	16.98	33.4	35.0
Hosiery and knit goods.....	.687	.684	27.36	27.15	39.8	39.7	.435	.429	15.67	16.13	36.0	37.6
Iron and steel ³.....	.829	.829	26.61	28.77	32.1	34.7	.....	.....	.....	.....	.....	.....
Leather tanning and finishing.....	.665	.657	25.12	25.80	37.8	39.3	.471	.473	17.79	17.91	37.7	37.8
Lumber and millwork.....	.667	.655	25.81	24.14	38.7	36.9	.....	.....	.....	.....	.....	.....
Meat packing.....	.726	.729	28.48	28.31	39.2	38.9	.541	.542	20.20	20.11	37.4	37.1
Paint and varnish.....	.722	.725	29.31	28.78	40.6	39.7	.532	.528	20.69	20.12	38.9	38.1
Paper and pulp.....	.653	.653	26.44	26.18	40.5	40.1	.423	.423	16.12	16.21	38.1	38.3
Paper products.....	.664	.666	26.89	27.06	40.5	40.6	.450	.454	16.96	17.36	37.7	38.3
Printing—book and job.....	.907	.914	35.71	35.74	39.4	39.1	.513	.516	18.58	18.37	36.2	35.6
Printing—news and magazine.....	1.015	1.004	38.11	37.77	37.6	37.6	.586	.582	20.44	20.96	34.9	36.0
Rubber.....	.953	.953	33.07	32.93	34.7	34.6	.569	.567	19.71	19.22	34.6	33.9
1. Rubber tires and tubes.....	1.047	1.048	35.27	35.13	33.7	33.5	.722	.723	22.17	21.99	30.7	30.4
2. Other rubber products.....	.792	.791	28.97	28.85	36.6	36.5	.523	.519	18.83	18.24	36.0	35.2
Silk.....	.591	.582	20.64	20.45	34.9	35.1	.389	.385	13.51	13.61	34.7	35.4
Wool.....	.647	.637	22.61	23.75	34.9	37.3	.505	.511	16.42	17.89	32.5	35.0
Foundries and machine shops.....	.756	.754	28.30	28.18	37.4	37.4	.478	.478	17.19	17.08	35.9	35.7
1. Foundries.....	.750	.748	26.12	25.63	34.8	34.3	.550	.552	17.40	17.64	31.6	32.0
2. Machines and machine tools.....	.749	.748	29.76	29.76	39.7	39.8	.517	.514	19.03	18.41	36.8	35.8
3. Heavy equipment.....	.797	.784	29.86	29.23	37.5	37.3	.....	.....	.....	.....	.....	.....
4. Hardware and small parts.....	.696	.698	26.01	27.01	37.4	38.7	.456	.458	16.84	17.14	36.9	37.4
5. Other products.....	.769	.772	28.48	28.20	37.0	36.5	.484	.483	17.21	16.90	35.6	35.0
25 INDUSTRIES.....	\$.762	\$.760	\$28.06	\$27.99	37.0	37.1 ^r	\$.474	\$.473	\$16.82	\$17.20	35.5	36.5
Cement.....	\$.692	\$.686	\$26.50	\$26.43	38.3	38.5	.....	.....	.....	.....	.....	.....
Petroleum refining.....	.984	.991	35.40	36.06	36.0	36.4	.....	.....	.....	.....	.....	.....
27 INDUSTRIES.....	\$.765	\$.763	\$28.16	\$28.11 ^r	37.0	37.1 ^r	.....	.....	.....	.....	.....	.....

¹Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD.^rRevised.²Includes wood, metal, and upholstered household and office furniture.³Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

EARNINGS AND HOURS, UNSKILLED AND SKILLED AND SEMISKILLED MALE WAGE EARNERS
APRIL, 1939

INDUSTRY	UNSKILLED						SKILLED AND SEMISKILLED					
	Average Earnings				Average Hours per Week per Wage Earner		Average Earnings				Average Hours per Week per Wage Earner	
	Hourly		Weekly				Hourly		Weekly			
	April	Mar.	April	Mar.	April	Mar.	April	Mar.	April	Mar.	April	Mar.
Agricultural implement.....	\$. 661	\$. 659	\$24. 80	\$24. 58	37. 5	37. 3	\$. 831	\$. 835	\$31. 02	\$31. 49	37. 3	37. 7
Automobile ¹.....	. 791	. 785	29. 27	26. 85	37. 0	34. 2	. 968	. 968	33. 30	31. 65	34. 4	32. 7
Boot and shoe.....	. 427	. 416	15. 88	16. 72	37. 2	40. 2	. 596	. 601	22. 29	22. 78	37. 4	37. 9
Chemical.....	. 689	. 690	26. 60	26. 55	38. 6	38. 5	. 816	. 807	31. 71	31. 29	38. 9	38. 8
Cotton—North.....	. 493	. 496 _r	19. 59	19. 87 _r	39. 8	40. 1 _r	. 557	. 564	21. 86	22. 34	39. 3	39. 6
Electrical manufacturing.....	. 669	. 663	25. 69	25. 26	38. 4	38. 1	. 876	. 883	33. 46	33. 55	38. 2	38. 0
Furniture ².....	. 529	. 523	19. 36	20. 03	36. 6	38. 3	. 708	. 710	26. 41	27. 48	37. 3	38. 7
Hosiery and knit goods.....	. 449	. 444	17. 58	17. 88	39. 1	40. 3	. 706	. 703	28. 14	27. 87	39. 9	39. 7
Iron and steel ³.....	. 631	. 634	20. 57	22. 06	32. 6	34. 8	. 864	. 863	27. 65	29. 95	32. 0	34. 7
Leather tanning and finishing.....	. 552	. 549	21. 09	22. 24	38. 2	40. 5	. 693	. 683	26. 12	26. 60	37. 7	39. 0
Lumber and millwork.....	. 473	. 466	19. 02	18. 02	40. 3	38. 7	. 740	. 727	28. 27	26. 41	38. 2	36. 3
Meat packing.....	. 625	. 620	24. 66	24. 03	39. 5	38. 8	. 777	. 783	30. 36	30. 45	39. 1	38. 9
Paint and varnish.....	. 624	. 625	24. 84	24. 75	39. 8	39. 6	. 775	. 779	31. 85	31. 00	41. 1	39. 8
Paper and pulp.....	. 527	. 533	20. 52	20. 32	38. 9	38. 1	. 695	. 693	28. 47	28. 14	40. 9	40. 6
Paper products.....	. 523	. 523	21. 21	20. 88	40. 6	39. 9	. 728	. 726	29. 47	29. 72	40. 5	40. 9
Printing—book and job.....	. 533	. 542	22. 15	21. 70	41. 5	40. 0	1. 014	1. 015	39. 31	39. 45	38. 8	38. 9
Printing—news and magazine.....	. 621	. 616 _r	22. 26	22. 50 _r	35. 8	36. 5 _r	1. 103	1. 097	41. 85	41. 25	38. 0	37. 6
Rubber.....	. 666	. 667	24. 93	24. 83	37. 4	37. 2	. 963	. 963	33. 33	33. 19	34. 6	34. 5
1. Rubber tires and tubes.....	. 769	. 771	27. 90	27. 09	36. 3	35. 2	1. 054	1. 055	35. 46	35. 34	33. 6	33. 5
2. Other rubber products.....	. 558	. 566	21. 63	22. 33	38. 7	39. 4	. 803	. 802	29. 29	29. 14	36. 5	36. 3
Wool.....	. 521	. 522	18. 27	19. 63	35. 1	37. 6	. 708	. 694	24. 66	25. 78	34. 9	37. 1
Foundries and machine shops.....	. 630	. 623	23. 03	22. 76	36. 6	36. 5	. 778	. 777	29. 27	29. 18	37. 6	37. 5
1. Foundries.....	. 613	. 611	21. 31	21. 05	34. 8	34. 5	. 801	. 802	27. 96	27. 42	34. 9	34. 2
2. Machines and machine tools.....	. 579	. 567	22. 82	22. 19	39. 4	39. 1	. 766	. 767	30. 47	30. 53	39. 8	39. 8
3. Heavy equipment.....	. 647	. 633	23. 47	23. 12	36. 3	36. 6	. 823	. 811	30. 99	30. 37	37. 7	37. 4
4. Hardware and small parts.....	. 572	. 568	20. 99	21. 43	36. 7	37. 7	. 700	. 703	26. 37	27. 55	37. 7	39. 2
5. Other products.....	. 684	. 681	25. 15	24. 69	36. 8	36. 3	. 786	. 791	29. 17	28. 94	37. 1	36. 6
24 INDUSTRIES ⁴	\$. 590	\$. 587	\$22. 10	\$21. 89 _r	37. 6	37. 5 _r	\$. 804	\$. 802	\$29. 57	\$29. 53	36. 9	37. 0
Cement.....	\$. 577	\$. 572	\$21. 07	\$21. 21	36. 5	37. 1	\$. 716	\$. 709	\$27. 70	\$27. 53	38. 7	38. 9
Petroleum refining.....	. 703	. 706	25. 10	25. 27	35. 7	35. 8	1. 033	1. 041	37. 19	38. 00	36. 0	36. 5
26 INDUSTRIES ⁴	\$. 591	\$. 588 _r	\$22. 12	\$21. 92 _r	37. 6	37. 5 _r	\$. 807	\$. 806	\$29. 69	\$29. 66	36. 9	37. 0

¹Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD.

Revised.

²Includes wood, metal, and upholstered household and office furniture.

³Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

⁴Silk industry not included, as adequate data for unskilled and skilled labor groups are not available for this industry.

Notes on Personnel Administration (Continued from page 79)

Paragraph after paragraph is filled with such factual explanations. The wealth of detail combined with a clear simple style makes the book invaluable to any company that is interested in helping the men of its supervisory force to develop a more effective and creative mental attitude toward their daily work.

Tax Consciousness

Making employees conscious of the company tax burden by translating aggregate figures into terms that can readily be comprehended is often a problem. It has been effectively accomplished by the Humble Oil and Refining Company, which, in the May 11th issue of its interesting company magazine, *The Humble Sales Lubri-*

cator, devotes the last page to this brief but arresting statement:

Do you know that during 1938 the Humble Companies paid taxes amounting to \$11,167,422, an average of approximately \$32,000 a day, or \$1,333 every hour?*

*In addition to the amount of taxes shown above, there was paid (or accrued) for State gasoline, Federal excise, and social security and other taxes, the sum of \$4,673,380.

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